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COMMERCIAL RELATIONS WITH BRITISH AMERICA.

LETTER

FROM

THE SECRETARY OF THE TREASURY,

IN ANSWER TO

A resolution of the House of Representatives of March 28, 1866, calling for information in regard to commercial relations with British America.

JUNE 14, 1866.—Referred to the Committee on Foreign Affairs and ordered to be printed.

TREASURY DEPARTMENT,
Washington, June 12, 1866.

SIR: I have the honor to acknowledge the receipt of a resolution adopted by the House of Representatives on the 28th day of March, 1866, in the following words:

"Resolved, That the Secretary of the Treasury be requested to communicate to this house a statement of the trade of the provinces of British North America, and especially Canada, in 1854 and 1865, respectively, the values being estimated in gold, and specifying what proportion of such trade was with the United States, and what articles, if any, were exclusively exported to the United States; also the tariff laws now in force in Canada, with a statement of the nature and extent of the changes made therein since 1854; also the returns of the Canadian canals for 1865, illustrating their value and the importance of the free navigation of the river St. Lawrence to American commerce, together with such general information brought down to the present time as may be in his possession, and may assist in correctly estimating the trade resources of said provinces and their relations to the trade and productions of the United States."

The subject-matter of this inquiry was very fully considered in a report made by the Secretary of the Treasury on the 28th of January, 1864, in response to a resolution of the House of Representatives, calling upon the Treasury Department for statistical information of the practical operation of the treaty of June 5, 1854, commonly known as the reciprocity treaty. I beg leave to refer to the tabular statements and other papers contained in that communication, which may be found in volume 9, No. 32, of the Executive Documents of the House of Representatives for 1863-'64. On the 25th of June, 1864, also, my

predecessor, Mr. Secretary Chase, communicated a large body of statistical and other information in relation to the trade of the United States and British America to the Senate, in a report upon the "Foreign and Domestic Commerce of the United States," which is printed as No. 55 of volume 1 of Senate Executive Documents for 1863-'64.

Desirous to respond as fully as possible to the resolution of March 28, 1866, I have caused a general statement of the results of former investigations in this department, brought down to the latest accessible returns, to be compiled, and have availed myself of the opportunity to present more distinctly than on former occasions the commercial relations of the western districts of British America (a region rapidly advancing in importance) to the United States. The enclosed paper by Mr. James W. Taylor, special agent of the Treasury Department for the district of Minnesota, has been accordingly prepared under my direction, and is respectfully forwarded for the consideration of the House of Representatives. Its closing pages contain some views upon the political relations of the United States and British America, upon which I am not prepared to express an opinion at this time, but to which I invite the attention of the House of Representatives.

I am, very truly, your obedient servant,

H. McCULLOCH.

Hon. SCHUYLER COLFAX,
Speaker of the House of Representatives.

ST. PAUL, June 6, 1866.

SIR: The subjects of inquiry presented by the resolution of the House of Representatives of March 28, 1866, may be thus enumerated:

1. "The trade of the provinces of British North America, especially Canada, in 1854 and 1865, respectively, the values being estimated in gold, and specifying what proportion of said trade was with the United States, and what articles, if any, were exclusively exported to the United States."
2. A summary of tariff legislation in Canada since 1854.
3. American commerce on the canals of Canada and by the route of the St. Lawrence river.
4. General information in regard to the commercial relations between the United States and British America.

TRADE WITH BRITISH AMERICA.

The records of the Treasury Department for the year ending June 30, 1865, show that our trade with British America is only second in magnitude to that with Great Britain. Its aggregate was \$69,150,613, while the commerce with Great Britain was \$225,709,263. The external trade of the United States for 1865 consisted of \$339,768,220 exports and \$234,434,167 imports—an aggregate of \$574,202,387. This statement in detail is as follows:

Statement in detail.

Countries.	Exports to.	Imports from.	Total.
England, Ireland, and Scotland.....	\$140,376,781	\$85,332,482	\$225,709,263
British North America.....	31,842,145	37,308,468	69,150,613
Spanish West Indies.....	23,969,455	34,258,367	58,227,822
Hamburg.....	9,590,464	4,199,111	13,789,575
Bremen.....	13,900,970	5,368,408	19,269,378
France.....	15,474,193	6,688,662	22,162,855
Mexico.....	18,205,906	7,358,521	25,564,427
Brazil.....	6,629,182	9,849,359	16,478,541
China.....	7,105,435	5,130,643	12,236,078
All other countries.....	72,673,689	38,940,146	111,613,835
Total.....	339,768,220	234,434,167	574,202,387

Another statement furnished by the Register of the Treasury Department shows that the tonnage of vessels clearing from American ports during the year ending June 30, 1865, for ports of British America was 3,537,752 tons, and the entrances from British America were 3,193,193 tons—the total of 6,730,945 tons; exceeding the tonnage of vessels employed in trade with any other country. This detailed statement is also annexed:

Countries.	Vessels cleared for.	Vessels entered from.	Total.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
Canada.....	2,497,045	2,332,886	4,829,931
British provinces, east.....	903,023	746,682	1,649,705
British Columbia.....	137,684	113,625	251,309
	3,537,752	3,193,193	6,730,945
England, Ireland, and Scotland.....	869,759	965,181	1,834,940
Spanish West Indies.....	554,170	624,813	1,178,983
New Granada.....	216,628	205,124	421,752
British West Indies.....	135,639	129,430	265,069
France.....	75,912	68,954	144,866
China.....	75,477	39,644	115,121
Other countries.....	1,154,920	934,289	2,089,209
Total.....	6,620,257	6,160,628	12,780,885

Of the clearances for British America, 1,750,548 tons were of American vessels, and 1,787,204 tons were of Canadian and other foreign vessels. Of the entrances from British America, 1,689,829 tons were American, and 1,503,364 were Canadian and other foreign.

Before proceeding to a separate statement of Canadian trade for the years 1854 and 1864-'65, a general review of the commerce of the United States with the British provinces of North America from the 1st day of July, 1851, to the 30th day of June, 1865, is presented. This period will represent the condition of the trade for three years prior to the late reciprocity treaty, one year passed in exchanging the legislation required by the treaty, (1855,) and ten years of its practical operation. The statement is prepared in the Register's office of

the Treasury Department; and while the values of imports are returned in gold, no such practice exists in regard to statements of exports, and, in all probability, during the years 1863, 1864, and 1865 the currency values of most of the exchanges, especially of articles admitted free of duty, have been adopted in the statistical returns. The annexed table until 1861 was a customary appendix of the finance report, and is now brought down to the close of the last fiscal year for the purpose of exhibiting the progress and volume of trade with the provinces.

Statement exhibiting exports to and imports from Canada and other British possessions in North America, from July 1, 1851, to June 30, 1865.

Year ending June 30.	EXPORTS.			Imports.	Total trade.
	Foreign.	Domestic.	Total.		
1852	\$3, 853, 919	\$6, 655, 097	\$10, 509, 016	\$6, 110, 299	\$16, 619, 315
1853	5, 736, 555	7, 404, 087	13, 140, 642	7, 550, 718	20, 691, 360
1854	9, 362, 716	15, 204, 144	24, 566, 860	8, 927, 560	33, 494, 420
1855	11, 999, 378	15, 806, 642	27, 806, 020	15, 136, 734	42, 942, 754
1856	6, 314, 652	22, 714, 697	29, 029, 340	21, 310, 421	50, 339, 761
1857	4, 326, 369	19, 936, 113	24, 262, 482	22, 124, 296	46, 386, 778
1858	4, 012, 768	19, 638, 959	23, 651, 727	15, 806, 519	39, 458, 246
1859	6, 384, 547	21, 769, 627	28, 154, 174	19, 727, 551	47, 881, 725
1860	4, 038, 899	18, 667, 429	22, 706, 328	23, 851, 381	46, 557, 709
1861	3, 861, 898	18, 883, 715	22, 745, 613	23, 062, 933	45, 808, 546
1862	2, 061, 432	18, 652, 012	20, 713, 444	19, 299, 995	40, 013, 439
1863	2, 651, 920	28, 629, 110	31, 281, 030	24, 021, 264	55, 302, 294
1864	2, 419, 926	26, 567, 221	28, 987, 147	38, 922, 015	67, 909, 162
1865	1, 809, 862	30, 032, 283	31, 842, 145	37, 308, 468	69, 150, 613

Most of this trade was with Canada and the maritime provinces of Nova Scotia, New Brunswick, Prince Edward's Island, and Newfoundland. Recently, however, a considerable commerce has been developed between Minnesota and the territory of the Hudson Bay Company, and between the Pacific States and the English colonies of British Columbia and Vancouver's island. The trade with the Pacific provinces during 1864-'65 consisted of \$1,349,463 exports and \$1,131,491 imports, amounting to \$2,480,954, which the Minnesota trade with Central British America will increase to \$3,000,000 annually. It will be safe to deduct this amount annually since 1860 from the aggregates of the foregoing table, on account of the western provinces; while from 1852 to 1860 the average commerce with British America west did not probably exceed \$500,000 annually.

THE CANADIAN TRADE.

As the House resolution calls for a separate statement of the trade of the United States with Canada, the following table has been prepared to express the aggregates of exports and imports from 1852 to 1865. Until 1864 the Canadian fiscal year was identical with the calendar year, while the accounts at the treasury of the United States close on 30th June.

Statement exhibiting exports to and imports from Canada, from July 1, 1851, to June 30, 1865. (From American reports.)

Year ending June 30.	EXPORTS.			Imports.	Total trade.
	Foreign.	Domestic.	Total.		
1852	\$2,712,097	\$4,004,963	\$6,717,060	\$4,589,969	\$11,307,029
1853	3,823,587	4,005,512	7,829,099	5,278,116	13,107,215
1854	6,790,333	10,510,373	17,300,706	6,721,539	24,022,245
1855	8,769,580	9,950,764	18,720,344	12,182,314	30,902,658
1856	5,688,453	15,194,788	20,883,241	17,488,197	38,371,438
1857	3,550,187	13,024,708	16,574,895	18,291,834	34,866,729
1858	3,365,789	13,663,465	17,029,254	11,581,571	28,610,825
1859	5,501,125	13,439,667	18,940,792	14,208,717	33,149,509
1860	2,918,524	11,164,590	14,083,114	18,861,673	32,944,787
1861	3,740,049	11,749,981	15,490,030	18,645,457	34,135,487
1862	1,560,397	11,282,107	12,842,504	15,253,152	28,095,656
1863	1,468,113	18,430,605	19,898,718	18,813,840	38,712,558
1864	1,301,563	15,356,866	16,858,429	30,974,118	47,832,547
1865	905,968	18,306,499	19,212,467	30,547,267	49,759,734

A statement compiled from Canadian records, commencing with a half year of 1851, to make the period identical with that covered by the foregoing table, is also annexed.

Statement showing the whole trade in imports and exports between Canada and the United States during fourteen years.

Years.	Imports from the United States into Canada.	Exports from Canada to the United States.	Total trade.
1851, (half year)	\$4,162,882	\$2,035,775	\$6,218,654
1852	8,477,693*	6,284,520	14,762,213
1853	11,782,144	8,936,380	20,718,524
1854	15,533,096	8,649,000	24,182,096
1855	20,828,676	16,737,276	37,565,952
1856	22,704,508	17,979,752	40,684,260
1857	20,224,648	13,206,436	33,431,084
1858	15,635,565	11,930,094	27,565,659
1859	17,592,916	13,922,314	31,515,230
1860	17,273,029	18,427,968	35,700,997
1861	21,069,388	14,386,427	35,455,815
1862	25,173,157	15,063,730	40,236,887
1863	23,109,362	20,050,432	43,139,794
1864, (half year)	10,426,572	7,722,397	18,148,969
1864-'65	19,589,055	22,939,691	42,528,746

In addition to the annual statements of exports and imports, representing the trade between the United States and Canada, the following table has been prepared from Canadian reports. It is a statement of American and Canadian tonnage, inward and outward, to and from Canadian ports, exclusive of ferriage, between United States and Canada.

Statement of American and Canadian tonnage, outward and inward, to and from Canadian ports, exclusive of ferriage, between the United States and Canada.

Years.	AMERICAN.		CANADIAN.	
	In.	Out.	In.	Out.
1854.....	1,284,523	1,246,051	2,279,529	1,519,518
1859.....	2,409,168	2,273,226	1,222,454	1,131,482
1861.....	1,629,153	1,468,034	1,412,076	1,343,262
1862.....	2,306,883	2,161,347	1,793,303	1,790,824
1863.....	1,857,974	1,739,569	1,680,727	1,628,863
1864, (half year).....	780,199	753,688	795,837	769,710
1864-'65.....	2,119,125	2,070,028	2,080,771	1,995,712

The years designated in the resolution, 1854 and 1864-'65, are not favorable for a comparative statement of the Canadian trade. The year first named witnessed an unusual excitement of markets, which resulted from the application of a large amount of English capital to the construction of the Great Western and Grand Trunk railroads; the total imports of Canada in 1854 reaching \$40,528,324, while the exports were only \$23,019,188. The purchases of contractors were largely made in the United States, swelling our exports to Canada from \$7,829,099 in 1853 to \$17,300,706 in 1854. These disbursements on account of railway construction, and the speculative spirit excited by them, concurred with the first operation of the reciprocity treaty, to increase our exports beyond the imports from Canada during 1855 and 1856; then followed the revulsion of 1857, which bore heavily upon Canadian trade, while since 1860 and during the late war, our great domestic exigencies have not only prevented foreign and manufactured goods from leaving the country, but have materially added to the American demand for Canadian products. The American reports show a movement from Canada to United States, since July 1, 1863, exceeding that from United States to Canada by nearly \$25,000,000, a balance which has probably been invested in United States bonds, of which \$50,000,000 are estimated to be held in Canada. It will thus be seen that the battle-year of 1864-'65, when all our energies and supplies, with whatever could be drawn from our neighbors, were absorbed by great military campaigns, is even more unfavorable than 1854 to represent a normal condition of commerce. They were probably indicated, because the earlier date marks a course of trade prior to the reciprocity treaty, and the fiscal year closing June 30, 1865, was the last annual statement of trade which was accessible at the date of the resolution. With these explanations the following tables are presented:

Comparative statement of exports, in values, from Canada to the United States, for the years ending December 31, 1854, and June 30, 1865. (From Canadian records.)

Articles.	1854.	1864-'65.
THE MINE.		
Copper		\$1,511
Copper ore	\$87,148	81,746
Iron ore		27,222
Pig and scrap iron	159,532	40,762
Stone		10,052
Mineral (or earth) oil	31,480	7,356
Total produce of the mine	278,260	168,649
THE FISHERIES.		
Dried and smoked	146	310
Pickled	72,988	53,027
Fresh	11,297	28,468
Oil	1,041	
Furs or skins, the produce of fish or creatures living in the sea		7,452
Total produce of the fisheries	85,472	89,257
THE FOREST.		
Ashes: Pot	91,534	227,102
Pearl	16,984	23,105
Timber: Ash		3,038
Birch	149	425
Elm	282	3,753
Maple		29
Oak	24,520	171,380
White pine	96,730	225,864
Red pine	4,564	1,048
Tamarac		28,470
Walnut	9,482	5,281
Basswood, butternut, and hickory	6,193	17,423
Standard staves	1,525	75,573
Other staves	3,761	80,544
Knees	795	13,060
Battens		
Scantling	34,448	14,825
Deals	6,916	499
Deal ends		
Plank and boards	1,579,820	3,292,451
Spars	20,517	1,910
Masts	100	1,140
Handspikes		
Lath and lathwood	13,885	15,834
Firewood	46,202	364,249
Shingles	20,641	44,010
Saw logs	58,489	147,721
Sleepers	1,172	
Treenails		
Railroad ties	18,809	26,912
Cars		
Other woods	26,026	223,100
Total produce of the forest	2,083,544	5,008,746

Comparative statement of exports, &c.—Continued.

Articles.	1854.	1864-'65.
ANIMALS AND THEIR PRODUCE.		
Horses	\$202, 416	\$1, 812, 334
Horned cattle	174, 016	1, 781, 995
Swine	7, 117	613, 993
Sheep	26, 041	253, 044
Poultry	4, 409	17, 509
Produce of animals: Bacon and hams	160	44, 433
Beef	5, 358	13, 996
Beeswax	5	311
Bones	235	1, 593
Butter	117, 040	340, 899
Cheese	560	5, 277
Eggs	22, 925	95, 660
Feathers	12	45
Furs, dressed	53, 464	3, 234
Furs, undressed		
Hides	21, 909	127, 483
Horns and hoofs	1, 568	2, 550
Honey		21
Lard	1, 835	20, 999
Pork	27, 752	426, 461
Sheep's pelts		77, 574
Tallow	861	657
Tongues		
Venison		801
Wool	30, 243	1, 351, 722
Total animals and their products	697, 926	7, 053, 079
AGRICULTURAL PRODUCTS.		
Balsam	440	2, 836
Barley and rye	94, 185	2, 879, 870
Barley, pot and pearl		
Beans	569	63, 534
Bran	5, 045	88, 089
Flax		37, 435
Flax-seeds	448	13, 796
Flour	3, 370, 319	1, 916, 255
Fruit, green	2, 792	6, 231
Hay	80	4, 258
Hemp		
Hops	33, 481	22, 625
Indian corn	13, 496	59, 329
Malt	75	1, 000
Maple sugar	468	476
Meal	4, 568	85, 467
Oats	16, 506	1, 561, 088
Other seeds	54, 384	37, 047
Peas	58, 604	198, 971
Tobacco		29, 702
Vegetables	3, 232	11, 615
Wheat	1, 670, 632	1, 227, 363
Total agricultural products	5, 329, 324	8, 246, 987
MANUFACTURES.		
Books		2, 019
Biscuit	450	
Candles		
Carriages		31, 122

Comparative statement of exports, &c.—Continued.

1864-'65.	Articles.	1854.	1864-'65.
MANUFACTURES—Continued.			
\$1,812,334	Cottons	\$952	\$1,770
1,781,995	Furs		100
613,993	Glass	36	608
253,044	Ground plaster and lime.....	8,948	2,806
17,509	Hardware.....	13,938	115,079
44,433	India-rubber	15,546	
13,996	Indian bark-work	100	21
311	Leather	2,108	22,603
1,593	Linen		2,918
340,899	Machinery		31,501
5,277	Musical instruments		4,122
95,660	Oil cake	530	864
45	Rags	9,772	64,524
3,234	Soap		212
60,518	Straw	12,404	2,675
127,483	Sugar boxes.....		53,422
2,550	Tobacco		66,957
21	Wood	65,610	37,645
20,999	Woollens	246	8,494
426,461	Liquors: Ale, beer, cider.....	1,187	699
77,574	Whiskey	4,988	5,250
657	Other spirits	4,736	10,473
	Vinegar	434	18
801	Total manufactures	141,145	469,172
1,351,722			
7,053,079	Coin and bullion		1,599,341
	Other articles.....	33,331	304,460

RECAPITULATION.

37,435			1854.	1864-'65.
13,796				
1,916,255				
6,231				
4,258				
-----	Produce of the mine	\$278,260		\$168,649
22,625	Produce of the fisheries	85,472		89,257
59,329	Produce of the forest.....	2,083,704		5,008,746
1,000	Animals and their products	697,905		7,053,079
476	Agricultural products	5,329,321		8,246,987
85,467	Manufactures	141,145		469,172
1,561,088	Coin and bullion.....			1,599,341
37,047	Other articles.....	33,331		304,460
198,971			8,649,000	22,939,691
29,702				
11,615				
1,227,363				
8,246,987				

2,019

31,122

Comparative statement of values of leading articles imported into Canada from the United States, for the years ending December 31, 1854, and June 30, 1865. (From Canadian records.)

Articles.	1854.	1864-'65.
Coffee	\$151,336	\$70,382
Cigars	47,284	8,056
Tobacco and snuff	422,196	15,161
Tea	1,335,464	177,787
Sugar and confectionery	489,732	781,720
Spirits, wine, and cordials	391,916	5,227
Molasses	182,212	273,335
Fruit, dried and green	120,120	460,077
Fish, fresh and salted	74,848	202,626
Lumber or planks	62,812	167
Clocks and watches	86,840	19,654
Cotton manufactures	684,588	89,068
Drugs and medicines	225,636	37,681
Fancy goods and millinery	116,368	71,439
Glassware	103,504	113,983
Hats and caps	212,509	94,319
India-rubber	81,916	14,049
Iron and hardware	1,353,408	452,489
Leather, manufactured and other	799,728	75,562
Musical instruments	131,208	122,310
Oil	185,764	32,999
Paper	87,680	9,259
Silk	116,892	13,085
Straw goods	82,900	
Wood, manufactured	379,652	63,936
Woollens	579,740	115,906
Meat pork*	510,504	876,968
Rice	46,392	6,106
Coals	220,380	544,511
Cordage	76,748	14,467
Cotton yarn and warp	72,636	17,205
Flax, hemp, and tow	104,940	120,897
Hides	253,068	535,351
Iron, (including railroad bars)	488,344	70,469
Printing presses, &c.	66,380	21,367
Tallow	344,636	75,381
Books	348,884	219,772
Indian corn	710,940	781,288
Salt	172,364	195,798
Seeds	98,384	102,46
Settlers' goods	298,500	507,650
Trees and shrubs	53,544	65,015
Wheat	138,912	2,879,625
Cabinetware or furniture		39,368
Carriages		46,053
Machinery not otherwise specified	550,356	128,062
Small wares	71,944	100,405
Horses	57,352	115,334
Horned cattle	10,340	77,846
Bark for dyeing, &c.	2,372	58,966
Broom corn	15,924	43,699
Butter	1,092	47,512
Cheese	33,404	306,618
Cotton-wool	24,920	88,786
Flour	17,546	690,124
Barley and rye	1,960	79,017
Oats	11,164	107,738

* The later reports only mention "meats, fresh, smoked, and salt," amounting to \$876,968 in 1864-'65.

Comparative statement of values of leading articles, &c.—Continued.

Articles.	1854.	1864-'65.
Lard	\$35,520	\$86,408
Stones, unwrought	8,428	49,258
Timber and lumber, unmanufactured	2,176	139,654
Tobacco, unmanufactured	67,108	277,007
Wool		174,070
Other articles	2,109,688	1,590,345
Coin and bullion		4,768,478
Total	15,533,097	19,589,055

The Canadian returns have been chosen as the basis of the foregoing statements, since the officers of the Canadian customs are understood to estimate values exclusively in gold.

Of the total trade in 1854, amounting to \$69,303,312, a valuation of \$24,182,096, or 34 per cent., was with the United States. In 1864-'65 the aggregate was \$86,801,620, of which \$42,528,746, or 48 per cent., was with the United States.

The articles exclusively exported from Canada to the United States were, in 1854, pig and scrap iron, fresh fish, scantling, railroad ties, horses, horned cattle, swine, sheep, poultry, hides, eggs, hops, malt, hay, flaxseed, manufactures of India-rubber, straw hats, and Indian bark-work; but in 1864-'65 the list was greatly reduced, consisting of pig and scrap iron, firewood, railroad ties, saw-logs, sheep-pelts, venison, balsam, malt, cotton manufactures, ground plaster, and sugar boxes. The values of these articles will be found in the first of the foregoing tables.

In a review of the comparative statement of Canadian exports, we first notice that the products of the mine and sea were nearly the same in 1854 as in 1865, while the lumber trade has advanced from \$2,083,544 to \$5,008,746, a large increase, but not more than the constant and increasing demand of American markets would have caused in any event. Since the abrogation of the reciprocity treaty, American purchasers are paying higher rates for Canadian timber, and in larger quantities, than in 1865, notwithstanding the necessity of paying a duty of 20 per cent. on the frontier of the United States.

It is in the division of "animals and produce" that the most remarkable contrast appears between the trade of 1865 and ten years ago. Then the valuation of this class of exports was only \$697,926; now it is \$7,053,079. The supply of Canadian horses during the war was as follows:

	Number.	Value.
1861	8,198	\$667,315
1862	8,606	664,795
1863	19,335	1,465,540
1864, (half year)	6,418	503,687
1864-'65	23,106	1,812,334

The exportation of cattle and swine was no less remarkable—15,704 cattle, valued at \$384,599 in 1861, and 59,566, valued \$1,781,965 in 1864-'65, while of swine the export to the United States in 1861 was 27,091, valued at \$161,279, and in 1864-'65, 46,305, valued at \$613,993. The movement of wool and sheep, having, perhaps, less connexion with the commissary of an army, is still worthy of observation from the relation to manufacturing industry. The exportation of sheep to the United States was as follows:

ing to \$870,908

	Number.	Value.
1861.....	54, 941	\$149, 220
1862.....	88, 141	217, 724
1863.....	72, 208	198, 651
1864, (half year).....	10, 316	48, 326
1864-'65.....	69, 931	253, 044

The exchanges of wool during the same period in value were :

	To Canada.	To United States.
1861.....	\$197, 895	\$424, 930
1862.....	333, 570	724, 815
1863.....	208, 858	974, 153
1864, (half year).....	118, 320	392, 373
1864-'65.....	174, 071	1, 353, 168
Total.....	<u>1, 032, 714</u>	<u>3, 869, 439</u>

It appears from the Canadian trade returns that during the half year closing December 31, 1865, 15,000 horses, 103,810 horned cattle, (swine not stated in the newspaper report at hand,) and 158,000 sheep were exported to the United States; the total value of this class of exports being \$7,923,355. A Canadian newspaper, the *Globe*, of Toronto, adds that "the cattle are wanted not only for beef, but for the manufacture of butter and cheese, now fast becoming leading articles of export to England."

At the annual meeting of wool manufacturers held at Philadelphia, September 6, 1865, Mr. J. L. Hayes, secretary of the association, remarked as follows of the trade in sheep and wool with Canada :

"The wool known in our markets as Canada wool consists wholly of fleeces from the long-wooled Leicester and Cotswold sheep, and crosses of these breeds with the Southdown, recently introduced from England. Mr. Stone, of Guelph, Canada West, has taken the lead in the introduction of these sheep. The flocks in Canada are small, averaging from twenty to fifty head. It has been estimated that 6,000,000 pounds of long wool will be grown in 1865, with a consumption in the United States of 5,500,000 pounds. The success of the Lowell Manufacturing Company in fabricating alpaca goods from Canada lustre wools has demonstrated that the wool does not deteriorate on this continent. The Canada wool has been found equal to the best English lustre wool, imported expressly for comparison. The free wool of Canada has been an inestimable boon to our worsted manufacturers. It does not compete with the production of our farmers, as we grow hardly more than 200,000 pounds of long wool, while Canada consumes 300,000 pounds annually of our clothing wool. It is not possible that our own production of long wool will keep up with the demand."

The wool here described is now subject to a duty of twelve cents per pound and ten per cent *ad valorem*, its value being seldom below thirty-two cents; and sheep, as well as other animals, are charged with duty at the rate of twenty per cent *ad valorem*. It is too soon to determine how this taxation will affect the course of trade.

Proceeding to the consideration of "agricultural products" exported from Canada to the United States, we first notice "barley and rye," of which a valuation of \$94,185 in 1854 had become \$2,879,870 in 1864-'65. This large sum was mostly paid for Canadian barley, which is described, in a recent memorial of brewers to Congress, as of a superior quality, usually commanding twenty to thirty cents per bushel more than barley grown in the United States. The Canadians cultivate the four-rowed variety, but their great advantage is the

Value.

\$149,220
217,724
198,651
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To United States.

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perfect adaptation of soil and climate to the production of this cereal. At present, not more than one-third of the amount required by manufacturers of malt liquors is grown in the United States; and the statement has been made that if the barley now grown in Canada was reduced one-half, it would cripple the manufacture of malt liquors to such an extent as to involve a loss to the United States treasury, annually, of about \$2,000,000. Barley was free of duty under the reciprocity treaty. The present duty is fifteen cents per bushel.

In 1854 Canada exported flour to the United States of the value of \$3,370,316, reduced in 1864-'65 to \$1,916,255. This large exportation of flour before the reciprocity treaty indicates that Canadian white wheat will always be required for domestic consumption in New England and New York, notwithstanding the duty of twenty per cent. Another singular fact is, that the value of wheat exported in 1854 was \$2,870,652, while in 1864-'65 it was only \$1,227,363, an excess in the former year of \$1,642,645. Add this sum to the amount in which the export of flour in 1854 exceeded that of 1864-'65, and the aggregate more than balances the difference of agricultural products which is recorded in favor of 1864-'65.

The observations suggested by the list of exports from the United States to Canada will occur in connexion with the next topic of inquiry, viz., "the nature and extent of the changes made in the Canadian tariff since 1854."

THE CANADIAN TARIFF.

By the Canadian tariff of 1849, spirits, wine, tobacco, tea, coffee, sugar, molasses, spices, &c., were charged with duties partly specific and partly *ad valorem*, which were gradually made exclusively specific. On the 26th March, 1859, this was altogether changed, and *ad valorem* duties, ranging from thirty to one hundred per cent., and averaging forty per cent., were adopted, and mostly prevail at this time, although additional specific duties have been imposed on the articles named above by the tariffs since 1862. When the duties were exclusively specific there was great encouragement of purchases in American markets; but with the policy of 1859, substituting *ad valorem* rates, the Canadian purchaser finds it for his interest to trade directly with Europe and countries producing the articles in question.

In regard to American manufactures, the Canadian tariff is not immoderate, and is of impartial application. There is no discrimination in favor of English fabrics, while the vicinity of the American manufacturer affords him a positive advantage. A large class of articles, consisting of iron, steel, metals, and articles entering into the construction of railways, houses, ships, and agricultural implements, are admitted at 19 per cent. duty; but 20 per cent. is the prevalent rate upon manufactured articles. Excluding the class of luxuries and stimulants first mentioned, the average taxation by Canada in 1864-'65 upon dutiable goods was 18.7 per cent.; while of the total importations, 43 per cent. were of articles free of duty. Of course this large percentage was owing to the operation of the reciprocity treaty, but it is likely to continue.

The average percentage on goods paying duty by Canadian tariffs was 13 per cent. in 1854, 19 per cent. in 1859, and during the last fiscal year ending June 30, 1865, it was 22.3 per cent.

The rate of taxation by the American tariff upon dutiable goods has been ascertained by Dr. William Elder, statistician of the Treasury Department, at the following averages for corresponding years: In 1854, 25.6 per cent.; in 1859, 19.5 per cent.; and in 1865, 50.4 per cent.

The Canadian advance of rates is less than might have been anticipated, when attention is directed to the public debt of Canada, which was officially stated in 1864 at the sum of \$76,223,061. Of this amount the following expenditures by the Canadian government have been for the construction of canals and railways,

which have been of great value to the western States as communications with the ocean and the Atlantic cities :

1. The St. Lawrence canals, by which vessels of 300 tons burden avoid the rapids between Kingston and Montreal.....	\$7, 406, 269
2. The Welland canal, passing vessels of 400 tons burden from Lake Erie to Lake Ontario.....	7, 309, 849
3. Chambly canal and river Richelieu, enabling vessels to pass from the St. Lawrence into Lake Champlain.....	433, 807
4. Lake St. Peter improvements, dredging a channel for sea-going vessels drawing 20 feet of water to Montreal.....	1, 098, 225
5. Harbors and light-houses, mostly in aid of the navigation of the lakes and the St. Lawrence.....	2, 549, 617
6. Grand Trunk railway.....	15, 312, 894
7. Great Western railway, from Niagara to Detroit.....	2, 810, 500
8. Northern railway, connecting Lake Huron with Lake Ontario..	2, 311, 666
9. Interest on railway debentures, &c.....	9, 642, 025
Total.....	49, 254, 852

Fully fifty per cent. of the debt of Canada has been assumed for objects which are directly for the advantage of the American communities in the valley of the St. Lawrence—a consideration which should restrain any violence of remonstrance against the fiscal legislation of Canada.*

The relations of that legislation to exports from the United States to Canada will appear from the following statement, compiled from Canadian trade returns, which gives our exports for 1854, the year before the reciprocity treaty; for 1859, or midway of the operation of the treaty and under the advanced Canadian tariff of that year, and from 1861 to 1865, or during the period of the war, exhibiting separately the amounts of free and dutiable goods and the average rates imposed by Canadian tariffs on dutiable goods :

Years.	Free goods.	Dutiable goods.	Rate per cent.
1854	\$2, 526, 555	\$16, 307, 326	13. 1
1859	8, 556, 545	9, 036, 371	18. 9
1861	12, 722, 755	8, 346, 633	19. 0
1862	19, 044, 374	6, 128, 783	19. 4
1863	19, 134, 966	3, 974, 396	22. 5
1864, (half year)	8, 249, 569	2, 173, 934	21. 4
1864-'65.....	15, 589, 055	3, 991, 226	22. 3

Of manufactures and foreign merchandise there was a larger importation to Canada from the United States in 1854 than in 1864-'65, for reasons already assigned. The leading articles taken by Canada in the latter year are coal, mostly anthracite, \$544,511; meats, \$876,968; Indian corn, largely for distillation, \$781,288; wheat and flour, \$3,559,749; cheese, \$306,618; tobacco, unmanufactured, \$277,007, and wool, \$174,070. Total in 1864-'65, \$6,510,211. Total of same articles in 1854, \$1,498,888.

Passing from this special statement of the Canadian trade, a brief analysis will be attempted of the commercial relations of the United States to the follow-

* There is, unquestionably, a growing party in Canada who advocate an advance of duties with a view to encourage manufactures. Hon. Isaac Buchanan, of Hamilton, is the prominent exponent of such a policy. While advocating a Zoll Verein or Customs Union with the United States, he argues, with much force and persistence, in favor of restrictions upon trade with Europe. Mr. Galt, the Canadian minister of finance, insists that the Canadian tariff is not protective, in the usual sense of that term; but it is easy to see that Mr. Buchanan's views are making way in Canada.

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ing divisions of British America: 1, New Brunswick; 2, Nova Scotia; 3, Prince Edward Island; 4, Newfoundland; 5, Central British America or the territory of the Hudson Bay Company northwest of Minnesota; and 6, the Pacific colonies of British Columbia and Vancouver's island.

NEW BRUNSWICK.

The area of this province is 27,700 square miles, or 17,730,560 acres, of which 7,551,909 had been disposed of by sale or grant on January 1, 1864, and 885,108 acres are under cultivation. A large portion of this surface is covered with dense forests of pine, hackmatac, cedar, &c., which furnish immense quantities of timber, both for export and ship-building. Coal and iron ore are abundant—the former said to extend over 10,000 square miles, or about one-third of the area of the province. The fisheries of the Atlantic coast are inexhaustible and very profitable.

The following statistics of New Brunswick are compiled from the latest official reports. The revenue for the fiscal year ending October 31, 1864, was \$1,060,815; for 1863, \$844,894; increase, \$215,921, and derived as follows:

	1863.	1864.
Railway impost.....	\$138, 300	\$181, 944
Import duty.....	585, 069	743, 315
Export duty on lumber.....	61, 834	67, 640
Territorial and casual.....	23, 293	30, 738
Miscellaneous.....	36, 398	37, 128
Total.....	844, 894	1, 060, 815

Importations for 1864, dutiable.....	\$3, 692, 488
free.....	2, 252, 864

Total.....	8, 945, 342
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Rate of impost on dutiable goods.....	13.57 per cent.
Rate of impost on all goods.....	10.15 per cent.
Importations from the United States.....	\$3, 316, 824
Exportations to all countries.....	5, 053, 897
Exportations to the United States.....	1, 266, 148

The exports to the United States are largely of lumber, but otherwise the trade with this country is of the same nature as that of Nova Scotia, which will be given in more detail. The population of New Brunswick in 1864 was 272,780.

The financial secretary of the province in his last report says: "The reciprocity treaty had been ten years in operation on the 12th of November, 1864. During ten years ending December 31, 1864, importations from the United States amounted in value to £6,728,896 sterling against £3,730,752 during ten years immediately preceding the treaty." The same officer remarks that the only instance of coal mining in New Brunswick is by an American company.

In regard to the ship-building interest, it is stated by the same authority that the number of vessels built in New Brunswick during forty years has been 4,169, measuring 1,584,386 tons, and the structures of 1864 were much above the average of those years.

The funded debt of New Brunswick, mostly incurred for railroads, was \$5,702,991 in 1863.

NOVA SCOTIA.

The peninsula of Nova Scotia, including the island of Cape Breton, has an

area of 18,746 square miles; in acres, 11,996,440, and probably no equal surface of the world combines so many natural advantages. Among these are a fertile soil, a climate softened by insular position and the vicinity of the Gulf Stream, capacious harbors never closed in winter, immense coal-beds accessible by vessels, and a productive gold district, besides deposits of iron, copper, manganese, gypsum, and slate. Although agriculture is prosperous, yet seafaring pursuits so largely engross the people that large importations of breadstuffs and provisions are made from the United States.

The following statements of the trade of Nova Scotia are official for the year ending September 30, 1865:

The amount of customs and excise duties collected in 1865 was \$1,047,891 against \$990,169 in 1864—an increase of \$57,721. The amount in the hands of the receiver general at the close of the last fiscal year was \$222,932 against \$225,150 at the end of September, 1864. The income and outlay for the fiscal year 1865 were thus nearly balanced.

The imports of the province have been rapidly increasing for the past four years. The official figures for those years are, 1862, \$8,445,042; 1863, \$10,201,392; 1864, \$12,604,642; 1865, \$14,381,662.

Here is an average increase of \$2,000,000 a year for a province containing only about 350,000 people. The imports for 1864 and 1865 were divided between the various countries with which the Nova Scotians trade as follows:

Countries.	1865.	1864.	Increase.
Great Britain.....	\$6,315,988	\$5,407,843	\$908,145
British North American colonies.....	1,592,773	1,186,746	404,027
British West Indies.....	667,206	440,767	226,439
United States.....	4,325,857	4,303,016	22,841
Other countries.....	1,479,838	1,234,270	245,568
Total.....	14,381,662	12,574,642	1,807,020

The imports from the United States in 1865 are classed thus:

Subject to duty.....	\$1,186,160
Free under reciprocity.....	1,747,306
Free under tariff.....	1,392,391

Those articles free both under the tariff and under reciprocity are put in the former class. Nearly the whole of the imports which are classed as free of duty under the reciprocity treaty consisted of wheat flour; no less than \$1,529,819 of flour having been imported. The imports—beef, pork, and hams—from the United States, during the year, were valued at \$170,282, and of butter and lard at \$23,051. The principal dutiable articles imported from the United States were:

Cordage and canvas.....	\$24,966
Cottons and woollens.....	102,656
Drugs and patent medicines.....	43,990
Leather and leather manufactures.....	137,609
Hardware.....	243,650
Molasses.....	10,443
Rock and coal oil and burning fluid.....	93,477
Paper manufactures, &c.....	22,994
Spirits.....	46,447
Sugar, raw and refined.....	17,326
Tea, black.....	65,805
Tobacco, manufactured.....	82,520
Woodware, manufactured.....	118,864

The principal articles free under the tariff were :

Flour, other than wheat.....	\$102, 315
Fish, all, and oil of.....	34, 793
Grain.....	23, 142
Hardware.....	17, 843
Hides and skins.....	26, 828
Printed books, &c.....	35, 821
Salt.....	2, 119
Stone, including lime.....	14, 754
Tobacco-leaf.....	53, 841
Vegetables.....	12, 274
Woodware, manufactured.....	10, 576

The total exports of the province for the last fiscal year were valued at \$8,830,639. The leading articles were fish, coal, lumber and its manufactures. A portion of the exports, however, consisted of articles not produced in Nova Scotia, which had evidently been imported and then sold into the other maritime provinces.

The table accompanying the imports of 1864 and 1865 is as follows :

Articles.	Value 1864.	Value 1865.
Animals.....	\$283, 344	\$261, 568
Beef and pork.....	49, 817	92, 764
Butter and lard.....	149, 823	114, 133
Coal.....	806, 314	1, 253, 650
Codfish.....	1, 278, 582	1, 411, 377
Herrings and alewives.....	218, 046	452, 337
Mackerel.....	1, 107, 039	1, 077, 273
Salmon and trout.....	68, 829	62, 177
Seale fish.....	153, 310	214, 574
Other fish.....	28, 734	64, 528
Fruit.....	35, 380	36, 454
Grain.....	46, 525	50, 909
Gypsum.....	43, 750	45, 350
Hides and skins.....	51, 995	74, 071
Oil—viz., fish-oil.....	101, 792	194, 505
Stone, building.....	32, 902	19, 382
Vegetables.....	121, 287	183, 252
Woodware, (unmanufactured).....	855, 840	762, 585
Unenumerated.....	240, 337	619, 971
Foreign productions.....	1, 397, 221	1, 840, 193
Total.....	7, 172, 817	8, 830, 693
Total increase.....	1, 557, 876	

Deducting the foreign productions, it would appear that Nova Scotia exported about \$7,000,000 of her own productions last year.

The exports were divided thus :

Great Britain.....	\$764,742
British North American colonies.....	1,701,054
British West Indies.....	1,966,459
United States.....	3,619,797
Spanish West Indies.....	389,894
Other countries.....	397,747
	<u>8,830,693</u>

The principal articles exported to the United States were—

Coal.....	\$1,085,745
Fish of all kinds.....	1,362,799
Fish oil.....	117,862
Grain of all kinds.....	28,639
Gypsum, lime, and plaster.....	40,580
Hides and skins.....	23,592
Stone.....	15,563
Vegetables, including potatoes.....	148,734
Wood and lumber of all kinds.....	160,044

Coal and lumber are such necessities to New England, that the supply of those articles will not probably be diminished by the abrogation of the reciprocity treaty. It is also alleged that the high-priced soft pine lumber of New Brunswick, hitherto furnished exclusively to American manufacturers, must continue to be exported hither, whatever the duty, as "it is required for fine work and finishing purposes, and there is no substitute."

The shipping of Nova Scotia is now registered at 3,898 vessels, worth \$13,347,500, of which 491 vessels, valued at \$2,923,058, were registered during 1865. These earn freights in all directions, and are sold abroad very frequently. They are built and held by joint stock associations, often in moderate shares, and constitute a lucrative and increasing branch of business.

The tariff of Nova Scotia has always been low—an average of 10 per cent. *ad valorem*. Recently, however, since the abrogation of the reciprocity treaty, the parliament of the province have advanced the duties upon spirits, wine, and tobacco fully one-third, and imposed duties upon articles which were free under the reciprocity treaty, as follows:

Bacon, per 100 pounds.....	\$2 00
Beef, per barrel.....	1 00
Bread, navy or pilot, per 100 pounds.....	0 20
Butter, per 100 pounds.....	1 75
Cheese, per 100 pounds.....	1 00
Flour, (wheat,) per barrel.....	0 25
Hams, per 100 pounds.....	2 00
Lard, per 100 pounds.....	1 75
Onions, per 100 pounds.....	0 50
Pork, per barrel.....	1 00
Tobacco, unmanufactured, per pound.....	0 05

If the confederation of the British provinces is accomplished, removing all intermediate duties, and communications with Canada are facilitated by railway and a St. Lawrence line of steamers, a material diversion of trade from the United States is likely to occur. The course of trade, as developed between New England and the maritime provinces during the last ten years, has been well described by Hon. Joseph Howe, of Nova Scotia: "The small vessels which bring to the United States plaster, coals, grindstones, cordwood, fish, and potatoes from the maritime provinces, take back furniture, boots and shoes, India-rubbers, books, prints, hats, patent medicines, agricultural implements, and hundreds of other conveniences, necessities, and luxuries. * * American manufactures are admitted to entry at mere revenue duties of from ten to twelve and a half per cent. British manufacturers pay the same. The mill owner in Lowell can place his goods in Halifax market, paying the charges of transportation of less than five hundred miles, while the mill owner in Manchester is compelled to pay the same duty and transportation charges of over twenty-five hundred miles of distance. * * Again, every machinist and artisan is interested in this trade. The grindstones of Nova Scotia are made from reefs covered by the high tides of the Bay of Fundy, and left bare when the

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tides recede. The grit is peculiarly fine. These stones are used in preference to all others in the workshops of New England, and go far back into the interiors. They are almost a necessity of the manufacturing industrial life of the United States."

Some further details of the mineral resources of Nova Scotia will illustrate the value of close commercial relations with the United States.

The more important coal-fields of this province are those of Cumberland county, lying in the immediate vicinity of the Bay of Mines; those upon the Gulf of St. Lawrence, of which Pictou is the centre, and those of the eastern part of Cape Breton, contiguous to the harbor of Sidney. The Cumberland coal-fields have been only slightly worked, the largest veins discovered lying some twelve miles from navigable water-courses. The coal-fields at Pictou lie immediately upon tide-water. One of the veins has a thickness of thirty-six feet, more than twenty-six feet of which is workable coal. The deposits near Sydney are already ascertained to underlie 250 square miles—an area nearly equal to the entire workable area of the anthracite coal-fields of Pennsylvania. They are contiguous to an excellent harbor, with which the more important veins are to be speedily connected by a railway.

As soon as the necessary works can be completed, the supply from these mines may be made equal to any possible demand. The veins crop out at the surface, and probably 50,000,000 tons of coal can be raised from them without going below water-level. There are several other deposits in Cape Breton which have only been slightly worked. In reference to the Cumberland coal-fields, Mr. Dawson, in his *Acadian geology*, remarks: "These veins form reserves of coal, waiting their full development, till railways extend across them, or till domestic manufactures demand a supply of mineral coal in the provinces." The railway now in progress from the European and North American railway, in New Brunswick, to Truro, will pass over a portion of this coal-field.

The following statements will show the amount raised and sent to market from these coal-fields for the past ten years:

Years.	Tons.
1856	291,934
1857	267,808
1858	286,618
1859	267,496
1860	304,129
1861	334,548
1862	393,631
1863	424,425
1864	500,000
1865	632,854

With proper means of access to these mines, there is no reason why within five years the amount of coal raised and sent to market from the provinces should not exceed 2,000,000 tons annually. The means of sending them to market are unlimited, as the ocean is their highway.

In reference to the subject of coal mining in Nova Scotia, the chief commissioner of mines, Mr. Hamilton, in his report, says: "There are now thirty collieries in operation in Nova Scotia. Some of these are only barely opened; but with one or two exceptions, works are vigorously prosecuted in all of them, and with good prospects of great and early extension at an early day. The total quantity of round and slack coal sold from the mines for the year ending 30th September, 1865, was 652,854 tons. In addition to the territory of the general mining association, there are now thirty-one square miles of territory under coal-mining leases. The extent of acres under license amounts to 1,920 square miles. The spirit and activity exhibited in carrying on explorations

upon the greater number of these areas under license, and the success which in many instances attend such exploration, indicate an early and important increase in the number of collieries in Nova Scotia. I need scarcely observe that while the products of our mines are thus rapidly increasing, and promise to do so for a long time to come, the demand for these products in the market seems to increase in a much more rapid ratio.”*

The year 1865 has also demonstrated the permanent productiveness of the gold mines of Nova Scotia. These are under the direction of the commissioner of mines, and the government reserves a royalty of three per cent. of their gross receipts.

It appears from the commissioner's report that the aggregate amount of gold upon which royalty has been paid during the year exceeds that of the preceding twelve months by about 33 per cent. The quantities are: for the year ending 30th September, 1865, 24,867 ounces; for the preceding year, 18,744 ounces; increase, 6,123 ounces. There is also an increase in the average yield of gold per ton of quartz of about five per cent., and a very considerable advance in the amount of the yield for each man engaged in mining. In 1863, the average yield per man was 95 cents a day; in 1864, it was \$1 30, and in 1865, \$2 12. In these calculations the gold is rated at \$18 50 per ounce, which is below its market value. The value of gold produced last year was \$509,080, (paying \$18,038 in rents and royalties;) in 1864, \$400,440; in 1863, \$280,020, and in 1862, \$145,500.†

* See report of the joint standing committee of the Massachusetts legislature in favor of State aid to the European and North American railway between Boston and Halifax.

† The following is the commissioner's statement of the number of hands employed in these mines, the tons of quartz raised and crushed, and the daily yield of gold per man employed for the past year:

Number of hands employed:

Yearly aggregate.		Daily average.	
1865	212,966	1865	500
1864	252,720	1864	877
1863	273,624	1863	810
1862	156,300	1862	682.583
Total	<u>895,310</u>	Mean	<u>717.395</u>

Quartz raised:

Yearly aggregate.		Daily av. per man.	
1865	50,002,500	1865	234,791
1864	42,469,600	1864	168,050
1863	34,150,490	1863	124,807
1862	13,480,000	1862	86,410
Total	<u>140,102,590</u>	Mean	<u>156,482</u>

Quartz crushed:

Yearly aggregate.		Average yield gold per 100 lbs.	
1865	48,846,600	Dwt.	Grs.
		2	8.371
1864	42,887,686	1	0.902
1863	34,150,400	1	22.312
1862	13,480,600	1	19.647
Total	<u>139,364,686</u>	1	0.790
		Mean	<u>22.805</u>

Daily yield of gold per man:

	Dwt.	Grs.	Val. in gold.
1865	2	8.371	\$2 33
1864	1	14.030	1 58
1863	1	0.662	1 02
1862	..	22.385	94

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gold per 100 lbs.	
Dwt. Grs.	
..... 1	0.902
.....	22.312
.....	19.647
..... 1	0.790
.....	22.805

Val. in gold.	
71	\$2 33
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The fisheries upon the coasts of the maritime provinces will always be a leading interest, and is especially so to the people of Nova Scotia. Their importance was felicitously illustrated by Mr. Howe, in a speech at the Detroit commercial convention of July, 1865. "You have behind and around you here," he said, addressing an assembly of Americans, "boundless prairies, which an all-bountiful Creator annually covers with rich harvests of wheat and corn. The ocean is our prairie, and it stretches away before and around us, and Almighty God, for the sustenance of man, annually replenishes it with fish in myriads that cannot be counted, having a commercial value that no man can estimate. The fecundity of the ocean may be estimated by the fact that the roes of thirty codfish annually replace all the fish that are taken by the British and French and American fishermen on the Banks of Newfoundland."

Under the late reciprocity treaty the interests of New England connected with these northeast fisheries were materially advanced. The fishing industry of the Atlantic States, exclusive of the whale fishery, amounted in 1860 to \$4,500,000, of which \$3,000,000 was taken upon the coasts of the provinces.

PRINCE EDWARD ISLAND.

The area of Prince Edward Island is 2,100 square miles—the least of the provinces, as Delaware with 2,120, and Rhode Island with 1,306 square miles, are the least of the American States. The population of Prince Edward Island, in 1864, was 85,992, or 40.95 to the square mile; income, \$214,448, of which \$162,733 was from customs at an average tariff rate of 12 per cent.; imports, \$1,638,946; exports, \$982,699. The trade with the United States was 24 per cent. of imports, and 50 per cent. of exports—the general character of the trade being similar to that of Nova Scotia.

NEWFOUNDLAND.

The area of Newfoundland is 40,200 square miles; population in 1864, 137,000; revenue, \$518,781, of which \$504,037 was from customs at an average impost of 11 per cent.; imports, \$5,175,251; exports, \$5,339,951. Trade with the United States is 33 per cent. of imports, but a small proportion, not more than 5 per cent., of exports.

BRITISH AMERICAN COLONIES EAST.

As a sequel to the foregoing details, which have been given with special reference to the trade of each province with the United States, some additional statements representing the combined resources of Canada and the maritime provinces have been compiled from the debates in the Canadian parliament upon colonial union.

The united population of Canada, New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island, in January, 1864, was 3,628,151. Their public revenues for 1864 were \$13,260,000; expenditures, \$12,507,000. Imports in 1863, \$70,600,963; exports, \$66,846,604. Total trade, \$137,447,567. Of the public domain, 45,638,854 acres have passed from the governments of these colonies, of which only 13,128,288 are under cultivation, while the area not granted or sold is 214,282,817. According to the census of 1861, the agricultural product of the United Provinces was \$150,000,000, and the assessed value of farms, \$550,000,000; while in 1862, the manufacture of lumber reached 772,000,000 feet, and the exports of timber were of the value of \$15,000,000. In 1863, 628 vessels, with a capacity of 230,312 tons, were built, the sales of ships in that year amounting to \$9,000,000; while the united tonnage of the provinces is 8,530 vessels, or 932,246 tons. This fleet is distributed as follows:

	Vessels.	Tons.
1864, Canada owned	2, 311	287, 187
1863, Nova Scotia owned	3, 539	309, 554
1863, New Brunswick owned	891	211, 680
1863, Prince Edward Island owned	360	34, 222
1863, Newfoundland owned	1, 429	89, 603
Total	8, 530	932, 246

This exhibit ranks British America as the fourth maritime community of the world, yielding precedence only to Great Britain, United States and France. In 1863 the foreign exports representing ship-building and fishing interests were \$16,696,021. Prominence in this connexion should also be given to 2,500 miles of railway, 4,000 miles of electric telegraph, and 100 miles of ship canals.*

The time can be readily anticipated when the Canadian forests will be indispensable to the American people. They already supply many cities and districts, which are remote from the Maine and Michigan pineries; and the forests of Wisconsin and Minnesota, however extensive, will prove inadequate to meet the wants of the Mississippi and Missouri valleys. Reference has been made to the forests of New Brunswick. Those of Canada are—

	Sq. miles.
1. The Saguenay territory, or the valley of the Saguenay river, rich in white and red pine, spruce, birch and tamarac	27, 000
2. The St. Maurice region, northwest of the city of Quebec, containing large quantities of white, red and yellow pine, spruce, birch, maple, elm, ash, and tamarac	21, 000
3. The valley of the Ottawa, hitherto the principal seat of the lumber trade of Canada, which has perhaps denuded 20,000 square miles from an aggregate of no less than	87, 761
Total	145, 761

Hon. James Skead, of Ottawa, Canada West, proceeds with the enumeration of lesser districts—2,350 square miles between the Rideau canal, the St. Lawrence and the river Trent, and districts east of the Saguenay and west of the Ottawa, claiming that the area available for producing pine north of the St. Lawrence is 287,711 square miles, and the area wholly or in part producing hard woods is 24,000 square miles. Far the larger portion of these timber lands are at the disposal of government.

The public debt of the provinces, incurred in the development of such a prosperity and upon the assurance of these great natural resources, will be consolidated upon the establishment of the colonial union now under discussion, in the following amounts: †

Canada	\$65, 500, 000
Nova Scotia	8, 000, 000
New Brunswick	7, 000, 000
Newfoundland	3, 250, 000
Prince Edward Island	1, 941, 425
Total	85, 691, 425

* See speech of Hon. George Brown, president of executive council of Canada, at the session of the Canadian parliament of February 3 to March 11, 1865—(3d Session 8th Parliament)—which was occupied with discussion of the plan of confederation presented by a conference of delegates from the provinces held at Quebec, in October, 1864.

† See speech of Hon. A. T. Galt, finance minister of Canada, in debates upon confederation, p. 62 of report, February 7, 1865.

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This adjustment is effected upon the basis of \$25 per capita of population. The debt of Canada is \$27 per capita; that of Nova Scotia and New Brunswick less; but liabilities in behalf of railroads have been assumed by these provinces, which will make the provision at the rate of \$25 per capita convenient and even necessary. Canada localizes the remainder of its debt.

BRITISH AMERICA WEST.

These are results of French and English occupation of the American North-land during three centuries. It will be next in order to look beyond the sources of the St. Lawrence, and consider the situation and prospects of British America west. Take the meridian of 90° west of Greenwich, which is the western boundary of Canada. If eastward we have found the area of five provinces equal to 419,315 square miles, or 268,280,800 acres, it will not be difficult to establish that west of the great lakes there are more extensive districts, which, by soil, climate, and mineral resources, are equally suitable for settlement, and which may be thus enumerated:

Sq. miles.

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|---|----------|
| 1. Central British America, enclosed between longitude 90° on the east, the Rocky mountains on the west, and the 49th and 54th parallels of latitude, and containing the valleys of the Winnipeg, Red, Assiniboin, Swan, Saskatchewan, and other rivers tributary to Lake Winnipeg..... | 360, 000 |
| 2. Athabasca, a block of territory drained by the sources of the river of that name, between 110° and 120° of longitude, and 54° and 58° of latitude, recently discovered to be rich in precious metals, and which is described by Sir Alexander Mackenzie and others as quite similar in climate and vegetation to Scotland..... | 50, 000 |
| 3. Sources of the Columbia, in British Columbia, now the scene of great excitement by the discovery of the "Big Bend" and "Kootenais" gold fields..... | 20, 000 |
| 4. The valleys of the Frazer and Thompson rivers, in British Columbia..... | 60, 000 |
| 5. Vancouver island..... | 16, 200 |
| Total..... | 506, 200 |

This immense domain of 323,968,000 acres is destined to greater developments of population and wealth within the next fifty years than three centuries have witnessed in the Atlantic and St. Lawrence provinces. Some reasons for such an opinion will be indicated in the remaining divisions of this paper.

CENTRAL BRITISH AMERICA.

It is now well known that northwest of Minnesota the country reaching from the Selkirk Settlement to the Rocky mountains, and from latitude 49° to 54°, is as favorable to grain and animal production as any of the northern States; that the mean temperature for spring, summer, and autumn, observed on the forty-second and forty-third parallels in New York, Michigan, and Wisconsin, has been accurately traced through Fort Snelling and the valley of the Saskatchewan to latitude 55° on the Pacific coast, and that from the northwest boundary of Minnesota this whole district of British America is threaded in all directions by the navigable water-lines which converge to Lake Winnipeg. English and American exploration have also established in favor of this district that its average elevation above the sea is far less than in American territory; that the Rocky mountains are diminished in width, while the passes are not difficult; that the supply of rain is more abundant, and the carboniferous and silurian

formations are of greater extent than further south, and, owing to the greater influence of the Pacific winds through the mountain gorges and the reduced altitude, that the climate is no material obstacle to civilized occupation.

It is unnecessary to repeat the narrative of Lord Selkirk's colonization of the Red River of the North. Of the present community of Selkirk Settlement, numbering ten thousand, about five thousand are competent to assume any civil or social responsibility which may be imposed upon them. The accumulations from the fur trade during fifty years, with few excitements or opportunities of expenditure, have secured general prosperity with frequent instances of affluence; while the numerous churches and schools sustain a high standard of morality and intelligence. A district on the Red river from the international boundary at Pembina to the mouth of the river in Lake Winnipeg, and upon the Assiniboine river for a distance of sixty miles west of its junction with the Red river at Fort Garry, has acquired a civil organization under appointments of legislative councillors and magistrates by the Hudson Bay Company, which is officially designated as "The Colony of Assiniboia." Goods are charged with an impost of four per cent., whether brought from Europe or the United States. Land can be purchased by any one at seven shillings sterling per acre, with liberal credits and at low interest.

The American collector at Pembina, Mr. J. Lemay, reports that during the year ending December 31, 1864, the imports at Selkirk from Europe and Canada passing in bond through the United States were valued at \$252,452. He also returns \$45,457 imported from Minnesota, but expresses the opinion that four times that amount passed into the settlement from the United States. Probably \$500,000 would be an accurate statement of the importation, two-thirds of which was goods of the Hudson Bay Company.

Fort Garry, at Selkirk, is the headquarters of the Hudson Bay Company. The posts of this company, more than fifty in number, occupy very commanding situations over the immense area, bounded by Hudson bay and Lake Superior on the east, the Rocky mountains on the west, and the Arctic ocean on the north. The fur trade of this territory concentrates its annual product on the Red River of the North, at Fort Garry, from which point, by the annual voyages of brigades of bateaux, merchandise and supplies are distributed to the most distant post. Prior to 1858 the exports and imports of the Hudson Bay Company were principally transported by the difficult and dangerous route of Hudson bay and Nelson river, or over the numerous obstacles intervening from Lake Superior to Red river on the British side of the international line. In 1858, however, materials were transported from the navigable waters of the Mississippi river to construct a steamer on the Red river, and two such vessels now navigate that stream. The trade between St. Paul and Selkirk has been greatly increased in consequence. As just stated, the imports of Central British America, for the use of the Hudson Bay Company and the Selkirk settlers, amount to \$500,000 annually, while the average annual exports, almost exclusively furs, amount to \$1,000,000 by the Hudson Bay Company, and \$300,000 by other parties. Total exports, \$1,300,000.

The river system of the Winnipeg basin, navigable by steamers, cannot be less than 3,000 miles—invaluable for the present as a substitute for railroads, and hereafter as a supplement to the railroad. Of this system of inland navigation some detail will be given.

1. The navigable capacity of the Red River of the North may be comparatively stated as follows: Ascending the stream from Lake Winnipeg, the navigation to Pembina is equal to that of the Mississippi between Prairie du Chien and Lake Pepin; from Pembina to the mouth of Red Lake river the channel may be compared to the Mississippi from Red Wing to Fort Snelling; from Red Lake river to Sheyenne, to the Minnesota from Fort Snelling to Shakopee; and from Sheyenne to Breckinridge, to the Minnesota from Shakopee to Fort Ridgely.

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The Red river is navigable above (south of) Pembina 400 miles by its course, while the distance from the international line by the river to Lake Winnipeg is 175 miles; total distance navigable by small steamers, 575 miles. To this add 350 miles for the navigation of the Sheyenne, Red Lake river, and Assiniboin, (its principal tributaries,) and the river coast of the Red river valley, accessible by steamers, will be found to exceed nine hundred miles.

2. Lake Winnipeg is about two hundred and fifty miles in length, but of unequal breadth. Its area cannot be less than that of Lake Erie, but it is far more diversified by islands and headlands. The western bank is alluvial, resting on limestone, while the numerous bays of its eastern shore develop the gneiss, granite, and trap rock of the primary formation. The lake is not deep, but with no shallows obstructive to navigation.

3. From a point near the northwestern angle of Lake Winnipeg, the great navigable channel of the Saskatchewan, divided into two arms at latitude 53° and longitude 106° , may be ascended by steamers to Fort Edmonton, on the north branch, and to Chesterfield House or Old Bow Fort, on the south branch, in close proximity to the Rocky mountains. The rapids of the Saskatchewan, near the mouth of the river, can hardly be said to interrupt navigation. Open-loaded boats have been tracked (drawn with a rope by men on shore) over the most violent portions of the rapids, the respective distances being one mile and a quarter of a mile, while, for descending boats, there is no difficulty. Loaded boats run the rapids with safety at every stage of water. There is abundant testimony that the valley of the North Saskatchewan, in its entire length, is so superior for the purpose of agriculture to any other traverse of the western plains, that it has received and fully merits the designation of the "Fertile Belt." The regions adjacent to Fort Pelly, Carlton House, Fort Pitt, and Edmonton House—well-known points in a general northwestern direction from Fort Garry—are remarkably well adapted to the cultivation of grain and the sustenance of cattle. The scenery of the North Saskatchewan is fully equal to that of the Mississippi between Galena and the Falls of the St. Anthony.

The present agriculture of Selkirk confirms the evidence, from a variety of sources, that the districts west and northwest of the Red river valley are well adapted to settlement. For the production of wheat, barley, rye, oats, peas, potatoes, vegetables, grass—whatever is grown in Minnesota, except maize—the region in question will be unsurpassed by any other area of similar extent on the continent.

The eastern Piedmont of the Rocky mountains, the source of the Saskatchewan, has been recently visited by Pallisser, Hector, Milton, and other tourists, who confirm the glowing description of the earliest explorer, De Smet, the devoted Catholic missionary to the Indians of Oregon. His "Oregon Missions" is a publication of much interest, consisting of letters to his superiors; and a portion of this volume narrates his explorations and adventures in the Saskatchewan valleys of the Rocky mountains. In September, 1845, he left the source of the Columbia river in latitude 50° , and crossed the Rocky mountains, descending their eastern slope in latitude 51° . He entered, on the 18th of September, "a rich valley, agreeably diversified with meadows, forests, and lakes, the latter abounding in salmon trout." This was a mountain valley, however, and it was not till three days afterwards that he reached Bow river, on the South fork of the Saskatchewan. Thence he continued northward, noticing sulphurous fountains and coal on the Red Deer, a branch of the Bow river. Descending the valley of the Red Deer, which is also described in very glowing terms, at length he emerged upon what he described as "the vast plain—the ocean of prairies." On the evening of the same day, the missionary reached and was hospitably received at the Rocky Mountain House, latitude 53° and longitude 115° , and on the 31st of October started for another journey on the plains; but, after two weeks' absence, was compelled to seek refuge from the

approach of winter (then the middle of November) at Edmonton House, on the Upper Saskatchewan. From this shelter he thus writes in general terms: "The entire region in the vicinity of the eastern chain of the Rocky mountains, serving as their base for thirty or sixty miles, is extremely fertile, abounding in forests, plains, prairies, lakes, streams, and mineral springs. The rivers and streams are innumerable, and on every side offer situations favorable for the construction of mills. The northern and southern branches of the Saskatchewan water the district I have traversed for a distance of about three hundred miles. Forests of pine, cypress, thorn, poplar, and aspen trees, as well as others of different kinds, occupy a large portion of it, covering the declivities of the mountains and banks of the rivers. These originally take their rise in the highest chains, whence they issue in every direction like so many veins. The beds and sides of these rivers are pebbly and their course rapid, but as they recede from the mountains they widen, and their currents lose something of their impetuosity. Their waters are usually very clear. The country would be capable of supporting a large population, and the soil is favorable for the production of barley, corn, potatoes, and beans, which grow here as well as in the more southern countries.

"Are these vast and innumerable fields of hay forever destined to be consumed by fire or perish in the autumnal snows? How long shall these superb forests be the haunts of wild beasts? And these inexhaustible quarries, these abundant mines of coal, lead, sulphur, iron, copper, and saltpetre—can it be that they are doomed to remain forever inactive? Not so. The day will come when some laboring hand will give them value; a strong, active, and enterprising people are destined to fill this spacious void. The wild beasts will, ere long, give place to our domestic animals; flocks and herds will graze in the beautiful meadows that border the numberless mountains, hills, valleys, and plains of this extensive region."

Twenty years later, in 1865, the American Territory of Montana adjoins the region which excited the enthusiasm of De Smet. Its population of 25,000, to be increased during 1866 to 50,000, have been drawn to the sources of the Missouri by discoveries of gold and silver mines close to the international border, and rumors of gulches and ledges in the Saskatchewan district, yielding even greater prizes to the prospector, are already rife, and will soon precipitate "a strong, active, and enterprising people" into "the spacious void." What is called the Americanization of the Red River settlements has been slow, although sure, since the era of steam navigation, but the Americanization of the Saskatchewan will rush suddenly and soon from the camps of treasure-seekers in Montana.

THE ATHABASCA DISTRICT.

The limit of successful agriculture in the northern temperate zone should be carried considerably beyond the Saskatchewan valley, especially near the Rocky mountains. Sir Roderick Murchison, in a recent address before the London Geographical Society, represents this chain of mountains to be greatly depressed in high northern latitudes, and indeed several of the tributaries of the Mackenzie have their sources on the Pacific slope, and wind through the mountains before falling into the great Arctic river. The mountain valleys of the Peace and Liard rivers, latitude 56° to 60°, are thus influenced by the Pacific winds, and wheat and other cereals are successfully cultivated. Sir Alexander Mackenzie describes, under date of May 10, the exuberant verdure of the mountain valleys—trees about to blossom, and buffalo attended by their young. During an inquiry in 1858 by the English House of Commons into the situation of the territory of the Hudson's Bay Company, similar statements were elicited. Dr. Richard King, who accompanied an expedition in search of Sir John Ross, as

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"surgeon and naturalist," was asked what portion of the country visited by him was valuable for the purpose of settlement. In reply he described "as a very fertile valley a square piece of country" bounded on the south by Cumberland House, and by the Athabasca lake on the north. His own words are as follows: "The sources of the Athabasca and the sources of the Saskatchewan include an enormous area of country. It is, in fact, a vast piece of land surrounded by water. When I heard Dr. Livingston's description of that country, which he found in the interior of Africa within the equator, it appeared to me to be precisely the kind of country which I am now describing. It is a rich soil, interspersed with well-wooded country, there being growth of every kind, and the whole vegetable kingdom alive." When asked concerning mineral productions his reply was: "I do not know of any other mineral except limestone; limestone is apparent in all directions. * * The birch, the beech, and the maple are in abundance, and there is every sort of fruit." When questioned further, as to the growth of trees, Dr. King replied by a comparison "with the magnificent trees around Kensington Park in London." He described a farm near Cumberland House under very successful cultivation—luxuriant wheat, potatoes, barley, pigs, cows, and horses.

In 1862 the tributaries of the Saskatchewan and Peace rivers, on the eastern flank of the Rocky mountains, were discovered to be auriferous. A small emigration from Selkirk has been attracted by the discovery, but larger columns of immigrants will probably move from the gold districts of British Columbia on the west, and of Montana on the south. The placer mining on the north Saskatchewan has hitherto averaged \$5 to \$10 per day.

SOURCES OF THE COLUMBIA.

Until very recently—until the discovery of the Big Bend and Kootonais gold-fields in 1866—I suppose no portion of the continent was so little known as the district watered by the upper Columbia and its tributary, the McGillivray or Flatbow river. David Thompson, surveyor of the Hudson Bay Company, in 1807, selected the source of the Columbia river as a site for a trading post with the Kootonais or Flatbow Indians. Since that date these Indians have made sensible progress to civilization under the influence of the Oregon missions, as also have other more southern tribes on the western slopes of the Rocky mountains. Indeed, the "Relations" of their missionary bishop, Father De Smet, constitute a most glowing sketch of the oval district between Flatbow river and the upper Columbia, and which must have an extent of 20,000 square miles.

I select some passages of description by De Smet, after passing north of the boundary in latitude forty-nine degrees:

"Advancing toward the territory of the Kootonais, we were enchanted with the beautiful and diversified scenery. * * * An extensive plain at the base of the Portage mountain (probably near the western extremity of the Kootonais Pass) presents every advantage for the formation of a city. The mountains surrounding this agreeable site are majestic and picturesque. They forcibly recalled to my memory the Mapocho mountains that encompass the beautiful capital of Chili, (Santiago.) * * * The quarries and forests are inexhaustible, and, having remarked large pieces of coal along the river, I am convinced that this fossil could be abundantly procured. Great quantities of lead are found on the surface of the earth, and from the appearance of its superior quality, we are led to believe that there may be some mixture of silver. * * * After a few days' journey we arrived at the Prairie du Tabac, the usual abode of the Kootonais. Their camp is situated in an immense and delightful valley, bounded by two eminences, which, from their gentle and regular declivity, appear to have originally bounded an extensive lake. * * * Thence I journeyed on towards the sources of the Columbia

The country we traversed was highly picturesque, and agreeably diversified by beautiful prairies, smiling valleys and lakes, surrounded by heavy and solemn pines, gracefully waving their flexible branches. We also crossed dark alpine forests, where the sound of the axe has never resounded. * * * On the 4th of September I found myself at the source of the Columbia.

"When emigration, accompanied by industry, the arts and sciences, shall have penetrated the numberless valleys of the Rocky mountains, the source of the Columbia will prove a very important point. The climate is delightful; the extremes of heat and cold are seldom known. The snow disappears as fast as it falls; the laborious hand that would till these valleys would be repaid a hundred-fold. Innumerable herds could graze throughout the year in these meadows, where the sources and streams nurture a perpetual freshness and abundance. These hillocks and declivities of the mountains are generally studded with inexhaustible forests, in which the birch tree, pine of different species, cedar, and cypress abound. * * * The advantages nature seems to have bestowed on the source of the Columbia will render its geographical position very important at some future day. The magic hand of civilized man would transform it into a terrestrial paradise."

BRITISH COLUMBIA AND VANCOUVER'S ISLAND.

The foregoing description of the climate and other natural features of the upper Columbia country is applicable to the valleys of the lower Frazer river, and its tributary, the Thompson river. In regard to the climate of the Pacific provinces an intelligent correspondent of the *Toronto Globe* says: "While Cariboo and the upper country generally is probably as cold in winter as Canada, the district from Vancouver's island to the western foot of the Rocky mountains, including Victoria, (the commercial town of Vancouver's island,) New Westminster, (the capital of British Columbia,) the lower valley and delta of the Frazer river, and the southern inland part of British Columbia, has the best climate beyond all comparison to be found in British America—free from extremes of heat and cold, not warm enough to enervate nor so cold as to cramp; moist and mild in winter like the English climate. Roses bloom in open gardens on Christmas day, and pansies, daisies, and mignonette flower in January. Gardening begins in February, and the spring is a long and temperate season. The summers are warmer and brighter than in England. All the conditions of climate are favorable to health and physical strength, and of equal advantage to agriculture."

Vancouver's island, with many open districts suitable for cultivation, is rich in coal, forests of pine, and fisheries, and is destined to a prosperity quite similar to that of Nova Scotia. The writer in the *Globe*, a resident of Victoria, claims that the settlements, both English and American, upon Puget's sound, with their inexhaustible supplies of coal, timber, and iron, will become the leading stations of the Pacific coast for the construction and equipment of ships, and will possess great advantages in respect to manufactures. The Rocky mountain mines in British Columbia, especially of gold and silver, at Cariboo, latitude 54°, Big Bend of Columbia, latitude 52°, and the Kootonais valley, latitude 50°, are fully equal in productiveness to the mineral districts of Montana, which are unsurpassed in Californian or Australian experience.

The population of British Columbia was 11,405 in 1863, and may be 15,000 in 1866. The estimated revenue for the present year is \$600,000—from the following sources: customs, at an average import duty of 15 per cent., \$320,000; road tolls, \$95,000; miners' certificates and mining receipts, \$55,000; spirit licenses, \$30,000. The public debt of the colony in 1863 was \$600,000, at six per cent. interest. The finances of Vancouver island are in no better condition. The expenditure for a government of the population of 6,000 exceeds \$200,000

per annum, which is collected mostly by direct taxation, no customs duties being imposed. A union of the provinces will soon be effected, when it is hoped that these expenditures will be reduced.

With this cursory review of the relations of the United States and British America, it is evident that both communities are equally interested in two great objects: 1. An ocean navigation from the Gulf of St. Lawrence to Lakes Superior and Michigan; and, 2. An international railroad from Halifax to the North Pacific coast, on a route central to the forests of New Brunswick, Maine, and Canada, the mineral formation of Lake Superior, the wheat-growing plains of Minnesota and the Saskatchewan valley, and the gold districts of British Columbia. The present situation of these two great interests will be briefly considered.

NAVIGATION OF THE ST. LAWRENCE.

The river St. Lawrence, as the outlet of the great lakes, drains an area of 600,000 square miles, of which 250,000 square miles belong to the United States.

The navigation of the St. Lawrence is improved by seventy-two miles of ship canals—forty-three between the Atlantic and Lake Ontario, twenty-eight by the Welland canal, connecting Lakes Ontario and Erie, and one mile at Sault St. Marie, reaching Lake Superior. The Superior ship canal, aided by the government of the United States, is the only adequate structure of the kind. The size of its locks is 350 feet long, 70 feet between the quoins, and 12 feet in depth. The problem, of which every northwestern State ardently seeks the solution, is such immediate construction of new or enlargement of existing canals as will pass vessels of fifteen hundred tons burden, without breaking bulk, from the Gulf of St. Lawrence or the harbor of New York to Chicago or Superior. At present, the Superior canal is alone sufficient, as the Welland can only pass a vessel of 400 tons, and the St. Lawrence canals can pass a vessel of only 300 tons. The New York canals are of less capacity.

The movement through the Welland canal shows the proportions in which the United States and Canada share the advantage of that important communication with the upper lakes. In 1863 there passed 3,474 American vessels, tons 808,289; 3,425 Canadian vessels, tons 521,808.

In 1864-5, this comparative movement was as follows: 2,506 American vessels, tons 542,245; 3,841 Canadian vessels, tons 593,561.

The necessity of bringing the ocean vessels of all nations to the Northwest will hardly be disputed, when the progress of the lake States in the production of breadstuffs and provisions is considered.

In 1850 the lake States produced forty millions of bushels of wheat; in 1860, eighty-eight millions. In 1850 their production of corn was one hundred and eighty-five millions; in 1860, three hundred and nineteen millions. At the same rate of increase, the next ten years will bring them to the production of nearly two hundred millions of bushels of wheat and six hundred millions of bushels of corn. The provision market shows the same wonderful results. The number of hogs slaughtered at Chicago in 1860 was 400,000; in 1863 the number had risen to 1,700,000; of cattle, 177,000 in 1860, and 343,000 in 1863. In the year 1859 the exports of pork in boxes, or "cut meats," were only 9,000,000 pounds. In round numbers they rose to twenty millions in 1860, to seventy millions in 1861, to one hundred and thirty millions in 1862, and three hundred millions in 1863, chiefly from the northwest. For the movement to eastern and European markets, of the present and prospective bulk of breadstuffs and provisions, the means of transportation must be greatly enlarged. From actual experience, derived from shipment of Indian corn at Chicago for Liverpool, it is shown that the freight charges often cover seven eighths of the value of a bushel of corn at Liverpool. More than one-half of the cost of wheat is also covered by charges of transit. The Chicago Board of Trade have expressed

the opinion that the enlargement of the Welland and St. Lawrence canals, as above indicated, would reduce the cost of grain transportation from Chicago to Liverpool fully one-half—to ten shillings per quarter, or to thirty cents per bushel.

It has been stated that Great Britain imported from the United States during the years 1861, 1862, and 1863 breadstuffs to the value of £12,643,918 sterling, and that the transit expenses were £8,826,351 sterling, the original cost realized at Chicago being only £3,817,069.

The burden now imposed upon western producers, and the relief which would be experienced if the marine of the world could reach Chicago through the lakes, as readily as European ships reach Odessa or Constantinople through the Mediterranean, was most clearly and forcibly illustrated by Mr. Duncan Stewart, of Detroit, at the commercial convention held July, 1865, in Detroit. "Some years ago," he said, "the farmers in certain portions of the west could not obtain over eight cents per bushel for their corn. Some professors of political economy say this was the result of a great crop, and nobody to eat it. This is a grave mistake. There were hungry men enough to eat up the whole of it. Nobody to eat! The want of transportation facilities ate it all up. That year forwarders got, in many instances, twenty cents per bushel from Chicago to Buffalo, and the canal rates rose as high as twenty-five cents from Buffalo to New York. In plain English, the farmer of Illinois had to give the carrier the price of five and a half bushels of his corn to get him to carry one bushel from Chicago to New York, a distance of fifteen hundred miles by water. Twenty-five cents, including canal tolls, would have laid the same corn down in Liverpool had there been a chance to navigate the St. Lawrence with vessels of one thousand tons or upwards, and the owner of the craft would have been richly remunerated at that price; but on top of the forty-five cents to New York from Chicago were the charges at that port, and another charge of twenty cents per bushel to cross the ocean, making the charge from Chicago to Liverpool not less than sixty-seven cents per bushel, when it would never have exceeded thirty cents had the right kind of vessels been able to pass down the St. Lawrence. This would have enabled the farmer to get forty-five cents for his corn instead of eight cents per bushel. With sixty bushels to the acre, the amount secured in the one case was four dollars and eighty cents; in the other it would have been twenty-seven dollars. This is no fancy sketch; it is a positive fact."

Mr. Stewart on the same occasion also observed: "With deep water down the St. Lawrence no interest will be more benefited than the lumber interest. With boundless and almost inexhaustible forests of valuable timber, pine is the only kind that is of any present value. Let ships of one thousand or fifteen hundred tons load at the wharves of our lake cities, and, as if by magic, oak, black walnut, white wood, maple of all kinds, white ash, tamarack, and spruce, would at once become ten times more valuable than they are at present. The cabinet-makers of Europe would furnish a market for your fancy woods; the West Indies would take every oak stave you could turn out, sending back in return her sugar, molasses, and other rich products, which being purchased from first hands, and landed without any extra charges but the freight at your own doors, would enable our merchants to sell these products at greatly reduced rates, thereby adding to the comfort and happiness of the great mass of the people. The railways of Great Britain would give you a limitless market for your spruce and tamarack of small growth for ties; and the wealthy cities of London, Liverpool, Manchester, Glasgow, Dublin, Bristol, and Birmingham would become competitors with Chicago, New York, and Boston for your best qualities of white pine. An open market with all the world will pay the owners of timber lands better than a limited home market; and with the class of vessels named to carry the products of our forests to foreign lands, the rates of freight would be as low to any of the ports of Great Britain as they now are

from any given point west of New York or Boston, while the prices to be obtained abroad would be much better than attainable in either of these markets."

Of the Canadian canals the Welland is of the most importance to American commerce, the transportation for 1864-'5 having been returned as follows:

	Tons.
From Canadian to Canadian ports.....	199,413 $\frac{1}{2}$
From Canadian to American ports.....	156,961 $\frac{1}{2}$
From American to Canadian ports.....	274,941 $\frac{1}{2}$
From American to American ports.....	254,557 $\frac{1}{2}$
Total.....	885,874

Of this aggregate 685,157 $\frac{1}{2}$ tons was from the west to the east, and 529,499 tons were from American ports.

The trade of the United States through the St. Lawrence from 1861 to 1865 is thus stated in the Canadian trade returns:

	For United States.	From United States.
1861.....	\$522,514	\$3,505,511
1862.....	490,298	5,198,920
1863.....	515,245	2,997,818
1864 (half year).....	282,667	507,243
1864-'65.....	289,685	1,714,629

The American trade through the St. Lawrence was about 6 per cent. of the commerce by that channel.

INTERNATIONAL RAILWAY.

In the plan of provincial union proposed at Quebec, October 10, 1864, it is stipulated that "the federal government shall secure, without delay, the completion of the intercolonial railway from Riviere du Loup, through New Brunswick, to Truro, in Nova Scotia." Its estimated cost is \$17,500,000. From Riviere du Loup to Ottawa, the capital of Canada, there is communication by railway.

Will England aid by imperial guarantee the immediate construction of a railroad from Ottawa, by way of Fort Garry and the valley of the Saskatchewan river, to the Pacific coast? Or will the provinces, with or without the aid of England, undertake such a continental highway?

The destiny of British America is involved in the extension of an ocean coast to the western limits of the great lakes, and a railway from Halifax to the capital of the confederation, and thence exclusively on the soil of the confederation, to the North Pacific coast. The adequate improvement of the St. Lawrence and Welland canals (without assuming the Ottawa and Georgian bay projects) involves an expenditure of \$20,000,000, and a St. Lawrence and Pacific railway, even if aided by liberal allotments of land along its line, will require, at this time, a government subsidy of \$100,000,000. Who anticipates that England will assume any material portion of such obligations and the proposed federal government of the provinces, will doubtless regard the promised communication between Halifax and Quebec as the utmost possible limit of its railway liability, at least for this century. The language of the Quebec conference, as to communications with the northwest and the improvements required for the development of the trade of the great west with the seaboard, is far short of a pledge of public action. True, a certain degree of interest is expressed in these objects; they are regarded by the conference as subjects of the highest importance to the federated provinces, and shall be prosecuted at the earliest possible period that the state of the finances will permit;" and in another place

there is a provision that "the Northwest Territory, British Columbia, and Vancouver shall be admitted into the Union on such terms and conditions as the parliament of the federated provinces shall deem equitable, and as shall receive the assent of her Majesty; and, in the case of the province of British Columbia or Vancouver, as shall be agreed to by the legislature of such province." All of which seems quite inadequate when such immense resources might be brought into the circle of the world's activities if a policy was at once inaugurated ample to consummate the construction of a national highway from ocean to ocean between the latitudes of 45° on the Atlantic and 55° on the Pacific, through the teeming belt of settlements which would follow upon its track.

UNION OF THE UNITED STATES AND BRITISH AMERICA.

I cannot resist the conclusion that events have presented to the people and government of the United States the opportunity—let me rather say, have devolved the duty—of interposing by an overture to the people of the English colonies on this continent, of course upon the fullest consultation with the government of Great Britain, to unite their fortunes with the people and government of the United States. Such a proposition on the part of the United States might be in the following terms:

AN ACT for the admission of the States of Nova Scotia, New Brunswick, Canada East, and Canada West, and for the organization of the Territories of Selkirk, Saskatchewan, and Columbia.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the President of the United States is hereby authorized and directed, whenever notice shall be deposited in the Department of State that the governments of Great Britain and the provinces of New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Canada, British Columbia, and Vancouver's island have accepted the proposition hereinafter made by the United States, to publish by proclamation that, from the date thereof, the States of Nova Scotia, New Brunswick, Canada East, and Canada West, and the Territories of Selkirk, Saskatchewan, and Columbia, with limits and rights as by this act defined, are constituted and admitted as States and Territories of the United States of America.

SEC. 2. *Be it further enacted, &c.*, That the following articles are hereby proposed, and from the date of the proclamation of the President of the United States shall take effect, as irrevocable conditions of the admission of the States of Nova Scotia, New Brunswick, Canada East, and Canada West, and the future States of Selkirk, Saskatchewan, and Columbia, to wit:

ARTICLE I. All public lands not sold or granted; canals, public harbors, light-houses, and piers; river and lake improvements, railway stocks, mortgages, and other debts due by railway companies to the provinces; custom-houses and post offices shall vest in the United States; but all other public works and property shall belong to the State governments respectively, hereby constituted, together with all sums due from purchasers or lessees of lands, mines, or minerals at the time of the union.

ARTICLE II. In consideration of the public lands, works, and property vested as aforesaid in the United States, the United States will assume and discharge the funded debt and contingent liabilities of the late provinces, at rates of interest not exceeding five per centum, to the amount of \$85,700,000, apportioned as follows: To Canada West, \$36,500,000; to Canada East, \$29,000,000; to Nova Scotia, \$8,000,000; to New Brunswick, \$7,000,000; to Newfoundland, \$3,200,000; and to Prince Edward Island, \$2,000,000; and in further consideration of the transfer by said provinces to the United States of the power to levy import and export duties, the United States will make an annual grant of

\$1,646,000 in aid of local expenditures, to be apportioned as follows: To Canada West, \$700,000; to Canada East, \$550,000; to Nova Scotia, \$165,000; to New Brunswick, \$126,000; to Newfoundland, \$65,000; to Prince Edward Island, \$40,000.

ARTICLE III. For all purposes of State organization and representation in the Congress of the United States, Newfoundland shall be part of Canada East, and Prince Edward Island shall be part of Nova Scotia, except that each shall always be a separate representative district, and entitled to elect at least one member of the House of Representatives, and except also that the municipal authorities of Newfoundland and Prince Edward Island shall receive the indemnities agreed to be paid by the United States in Article II.

ARTICLE IV. Territorial divisions are established as follows: (1.) New Brunswick, with its present limits; (2.) Nova Scotia, with the addition of Prince Edward Island; (3.) Canada East, with the addition of Newfoundland and all territory east of longitude 80°, and south of Hudson's strait; (4.) Canada West, with the addition of territory south of Hudson's bay, and between longitude 80° and 90°; (5.) Selkirk Territory, bounded east by longitude 90°, south by the late boundary of the United States, west by longitude 105°, and north by the Arctic circle; (6.) Saskatchewan Territory, bounded east by longitude 105°, south by latitude 49°, west by the Rocky mountains, and north by latitude 70°; (7.) Columbia Territory, including Vancouver's island, and Queen Charlotte's island, and bounded east and north by the Rocky mountains, south by latitude 49°, and west by the Pacific ocean and Russian America. But Congress reserves the right of changing the limits and subdividing the areas of the western territories at discretion.

ARTICLE V. Until the next decennial revision, representation in the House of Representatives shall be as follows: Canada West, 12 members; Canada East, including Newfoundland, 11 members; New Brunswick, 2 members; Nova Scotia, including Prince Edward Island, 4 members.

ARTICLE VI. The Congress of the United States shall enact, in favor of the proposed Territories of Selkirk, Saskatchewan, and Columbia, all the provisions of the act organizing the Territory of Montana, so far as they can be made applicable.

ARTICLE VII. The United States, by the construction of new canals, or the enlargement of existing canals, and by the improvement of shoals, will so aid the navigation of the St. Lawrence river and the great lakes that vessels of fifteen hundred tons burden shall pass from the Gulf of St. Lawrence to Lakes Superior and Michigan: *Provided*, That the expenditure under this article shall not exceed \$50,000,000.

ARTICLE VIII. The United States will appropriate and pay to "The European and North American Railway Company of Maine" the sum of \$2,000,000 upon the construction of a continuous line of railroad from Bangor, in Maine, to St. John's, in New Brunswick: *Provided*, Said "The European and North American Railway Company of Maine" shall release the government of the United States from all claims held by it as assignee of the States of Maine and Massachusetts.

ARTICLE IX. To aid the construction of a railway from Truro, in Nova Scotia, to Riviere du Loup, in Canada East, and a railway from the city of Ottawa, by way of Sault St. Marie, Bayfield, and Superior, in Wisconsin, Pembina and Fort Garry, on the Red River of the North, and the valley of the North Saskatchewan river to some point on the Pacific ocean north of latitude 49°, the United States will grant lands along the lines of said roads to the amount of twenty sections, or 12,800 acres, per mile, to be selected and sold in the manner prescribed in the act to aid the construction of the Northern Pacific railroad, approved July 2, 1862, and acts amendatory thereof; and in addition to said grants of lands, the United States will further guarantee dividends of

five per cent. upon the stock of the company or companies which may be authorized by Congress to undertake the construction of said railways: *Provided*, That such guarantee of stock shall not exceed the sum of \$30,000 per mile, and Congress shall regulate the securities for advances on account thereof.

ARTICLE X. The public lands in the late provinces, as far as practicable, shall be surveyed according to the rectangular system of the General Land Office of the United States; and in the Territories west of longitude 90°, or the western boundary of Canada West, sections sixteen and thirty-six shall be granted for the encouragement of schools, and after the organization of the Territories into States, five per centum of the net proceeds of sales of public lands shall be paid into their treasuries as a fund for the improvement of roads and rivers.

ARTICLE XI. The United States will pay \$10,000,000 to the Hudson Bay Company in full discharge of all claims to territory or jurisdiction in North America, whether founded on the charter of the company or any treaty, law, or usage.

ARTICLE XII. It shall be devolved upon the legislatures of New Brunswick, Nova Scotia, Canada East, and Canada West to conform the tenure of office and the local institutions of said States to the Constitution and laws of the United States, subject to revision by Congress.

SECTION 3. *Be it further enacted, &c.*, If Prince Edward Island and Newfoundland, or either of those provinces, shall decline union with the United States, and the remaining provinces, with the consent of Great Britain, shall accept the proposition of the United States, the foregoing stipulations in favor of Prince Edward Island and Newfoundland, or either of them, will be omitted; but in all other respects the United States will give full effect to the plan of union. If Prince Edward Island, Newfoundland, Nova Scotia, and New Brunswick shall decline the proposition, but Canada, British Columbia, and Vancouver island shall, with the consent of Great Britain, accept the same, the construction of a railway from Truro to Riviere du Loup, with all stipulations relating to the maritime provinces, will form no part of the proposed plan of union, but the same will be consummated in all other respects. If Canada shall decline the proposition, then the stipulations in regard to the St. Lawrence canals and a railway from Ottawa to Sault St. Marie, with the Canadian clause of debt and revenue indemnity, will be relinquished. If the plan of union shall only be accepted in regard to the northwestern territory and the Pacific provinces, the United States will aid the construction, on the terms named, of a railway from the western extremity of Lake Superior, in the State of Minnesota, by way of Pembina, Fort Garry, and the valley of the Saskatchewan, to the Pacific coast, north of latitude 49°, besides securing all the rights and privileges of an American territory to the proposed Territories of Selkirk, Saskatchewan, and Columbia.

If the foregoing plan of union should be fully consummated, the United States would immediately assume an annual expenditure, as follows:

1. Interest at 5 per centum upon the consolidated provincial debt, with obligation to discharge the principal at a future period, say A. D. 1900.....	\$4,285,000
2. Annual grants to new States in lieu of provincial power to levy import and export duties.....	1,646,000
3. Five per cent. upon sums applied to railway construction between Bangor, in Maine, and St. John's, in New Brunswick, and for purchase of the chartered rights of Hudson Bay Company..	600,000
Total.....	<u><u>6,531,000</u></u>

It is probable that the system of ship canal improvements, which is so prominent a portion of the plan, could not, with the utmost diligence, be consummated before 1875. It would, doubtless, include a ship canal by the route of Lake Champlain, or by the route of Oneida lake and the Mohawk river, to tide-water in the Hudson, and the ample enlargement of the Welland and St. Lawrence canals. It might also be extended to the construction of the Niagara and Georgian Bay ship canals; but for the Ottawa canal project the Ottawa and Sault St. Marie railway is intended, and would be accepted as a substitute. The annual statement, after 1875, would therefore be—

Expenditure annually as above.....	\$6,531,000
Five per cent. upon cost of the St. Lawrence system of ship canals.....	2,500,000

Total in 1875.....	9,031,000
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Meanwhile the continental railway would be in progress, and its two sections, eastern from Halifax to Quebec, and western from Ottawa to the Pacific coast, total 3,700 miles, might and should be finished and in successful operation by the year 1880. The full amount of the guarantee of stock in aid of its construction would be a charge upon the treasury of \$5,550,000 per annum. This addition to the sum last stated would make an ultimate annual liability of \$15,081,000. The public revenues of the five eastern provinces, in 1864, as we have seen, were \$13,260,000.

The credit side of the account would seem to obviate any objection on financial considerations.

The public domain of the eastern provinces, to be transferred to the United States, would be 214,282,817 acres. British America, west, within its habitable areas, contains 320,000,000—a total of 534,282,817 acres; and yet I hesitate to claim this vast dominion of land as a source of revenue. The programme of union has already appropriated 47,360,000 acres to aid the construction of a continental railroad; the care of 100,000 Indians will be another charge upon the fund from land sales; 50,000,000 acres in the western territories will be required for the endowment of schools; further grants for interal improvements will be made; five per cent. of sales of land is also applied for the latter object; and although mineral lands may reasonably be expected to yield an income to government, still the homestead policy, from which there will be no backward step, must concur, with other causes, to reduce the proceeds of the public lands to the expenses of their survey, administration, and sale. If, by railway construction, cheap water transit, and systematic colonization, the population of the northern provinces (hereafter States) shall reach 10,000,000, in 1875, the government would possess a sure means of indemnity for the proposed enlargement of its obligations. The average revenue per head of population now collected in the provinces is \$3 45, which, applied to ten millions of people, would be nearly \$45,000,000. Making every allowance for the due proportion of this sum applicable to the support of the national government, there would yet remain an ample provision for current interest and ultimate discharge of principal.

I have confidence, also, that the liberal land endowment in aid of the continental railway, concurring with the progress of traffic, would soon exonerate the government from its stock guarantee, reducing the annual expenditure one-third. In any event, the financial burden would be more than justified by the advantages inseparable from the proposed extension of our political, social, and industrial systems.

I will not extend this paper by any presentation of what I regard as the great preponderance of benefit to the people of the provinces. I only reiterate that they have a right to demand of their present rulers two great objects, a Mediterranean to Superior, and a railway to the Pacific ocean, and these before

\$4,285,000

1,646,000

600,000

6,531,000

1880; and I cannot believe these objects will be assured to this generation by a provincial confederation, or by the intervention of England. The United States may interpose, with the requisite guarantees; and if so, why shall we not combine to extend an American Union to the Arctic circle?

JAMES W. TAYLOR.

Hon. HUGH McCULLOCH,
Secretary of the Treasury.

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